

Government warned to avoid £50bn Oxford-Cambridge Arc blunder

Government plans to ditch a centrally coordinated Oxford-Cambridge Arc project will cost the UK economy upwards of £50 billion in the next eight years – equivalent to two per cent of GDP – a new report has warned.

Michael Gove's Department for Levelling Up, Housing and Communities has shelved a strategic plan to create a UK rival to Silicon Valley around Oxford and Cambridge in order to prioritise 'levelling up' spending in the north of England.

The Radical Capital report, co-authored by property consultancy Bidwells and policy advisory firm Blackstock Consulting, calls for a new body to take the lead and ensure the full power of the Arc is unleashed.

The initiative brings together a think tank of 60 major universities, academics, investors, trades bodies and developers to propose a number of policy recommendations that will help deliver a science and technology 'supercluster' in the region.

Notable contributors include Sir John Bell – Regius Chair of Medicine at the University of Oxford – Harwell Science Campus, Cambridge Big Biotech AstraZeneca and banking giant Santander.

The new report says that the Oxford-Cambridge region's economy could grow to £235bn (GVA) by 2030, helping support the UK's R & D agenda by acting as its innovation engine.

The Arc – which currently accounts for seven per cent of England's economic output – already supports more than two

million jobs. The region is home to some of the UK's most innovative life sciences and technology businesses as well as giants such as Cambridge-based Apple, Microsoft, and AstraZeneca.

The think tank argues that a new lead body would ensure central coordination of activities which affect the area's ambition to become a global supercluster similar to Silicon Valley – a region where economic output is similar to the whole of Finland's.

This new body, which would be steered by appointed Government ministers, would be responsible for coordinating the delivery of all new skills, training and commercial and laboratory space within the Arc, which covers three million people.

The Arc's importance to key industries, including life sciences as the home to the Oxford-AstraZeneca vaccine, has been viewed as essential to Chancellor Rishi Sunak's vision for Britain to be a world-leading "scientific superpower."

Its economy doubled over the last two decades with the emergence of science and tech as a growth accelerator for the region. It is Bidwells that has estimated that the size of the economy could double again to the £235bn figure in the next eight years.

But by failing to accommodate the expansion of high value life science and tech in this globally leading cluster, economic growth will fall at least £50 billion short of its full potential, the group warns, with demand for office and laboratory space currently the equivalent to six AstraZeneca HQs, or 300 scale-up businesses.

The region is the birthplace of the Oxford/AstraZeneca Covid-19 vaccine, which helped open up economies around the world after extensive lockdowns, implemented to curb the spread of the coronavirus, have been relaxed. It's partly thanks to this that UK GDP now sits just 0.5 per cent below

pre-pandemic levels.

Nick Pettit, senior partner at Bidwells, said: "The Oxford-Cambridge Arc is the lifeblood of our life sciences industry and the home to world-leading innovation in sectors like advanced manufacturing, AI, robotics, and renewable energy that is internationally renowned.

"Creating a dividing line in access to funding and channelling investment away from global centres of excellence neglects the nation-wide benefits that investment in the Arc and its scientific enterprises can generate.

"As an entity, the Arc would be brilliantly placed to forge greater and stronger collaborations and partnerships with, across and in other geographic and sectoral areas of expertise in the UK, for the national good.

"A central Arc body with powers to coordinate and deliver supporting infrastructure, investment, housing and space for innovation, can unlock a once-in-a-lifetime opportunity that will benefit future generations to come."

Miles Kirby, CEO, DeepTech Labs in Cambridge said: ""One of the key things that the Arc can boast is connecting back to academia, particularly the University of Cambridge which DeepTech Labs works extensively with.

"Companies can connect with individual professors in university departments and recruit from an enviable talent pool in the form of world-class, post-doctoral students already located in Oxford-Cambridge Arc."

"I think the ecosystem is growing, the flywheel is accelerating, and the momentum building. Deep tech is ever expanding and investment can result in world-changing outcomes. DeepTech Labs focuses on brand-new technology ideas that are highly patentable, and we're picking out all kinds of fascinating ideas from the wellspring of entrepreneurs within the Arc: from a company building next generation processors,

companies doing machine learning for object recognition, and one looking at fruit harvesting using drones and assessing yields in agriculture.

“These ideas have the potential to completely transform our everyday lives and help us to meet climate and social goals with the right mentorship in place.

“Accelerators like DeepTech Labs expect further interest in the Arc as investment continues to snowball: something which develops the national economy, unlocks social prosperity, and helps to solve some of the key issues of our age.”